



General Assembly

Substitute Bill No. 5692

February Session, 2000

An Act Concerning The Reporting Of Insurance Fraud.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 29-311 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) The Commissioner of Public Safety as State Fire Marshal, any
4 local fire marshal within [his] the local fire marshal's jurisdiction, and
5 all duly authorized fire and police personnel acting within their
6 jurisdiction may enter into and upon any premises or building where
7 any fire or explosion has occurred and premises adjacent thereto,
8 without liability for trespass or damages reasonably incurred, to
9 conduct investigations in accordance with sections 29-302 and 29-310,
10 under the following circumstances and conditions:

11 ~~[(a)]~~ (1) During an emergency by reason of fire or explosion on any
12 premises, they or any of them may, without a warrant, enter such
13 premises during the suppression of the fire or explosion or within a
14 reasonable period of time following the suppression thereof and
15 remain for a reasonable period of time following the suppression of the
16 fire or explosion to: ~~[(1)]~~ (A) Investigate in order to determine the
17 cause and origin of the fire or explosion, ~~[(2)]~~ (B) prevent the
18 intentional or unintentional destruction of evidence and ~~[(3)]~~ (C)
19 prevent a rekindling of the fire.

20 [(b)] (2) After expiration of a reasonable period of time following the
21 suppression of the fire or explosion, they or any of them shall apply in
22 writing under oath to any judge of the Superior Court for a warrant to
23 enter upon the premises to determine the cause and origin of the fire or
24 explosion, if such cause or origin has not been previously determined.
25 The application shall describe: [(1)] (A) The premises under
26 investigation, [(2)] (B) the owner or occupant of the premises, if
27 reasonably ascertainable, [(3)] (C) the date and time the fire or
28 explosion which is the subject of the investigation was reported to a
29 police or fire agency, and [(4)] (D) the dates and times during which
30 the investigative activities to determine the cause and origin of such
31 fire or explosion are to be conducted. The judge to whom an
32 application for a warrant is made may issue such a warrant upon
33 finding that the requirements of this subsection have been met, and
34 that the proposed activities are a reasonable intrusion onto the private
35 premises to determine the cause and origin of the fire or explosion.

36 (b) The Commissioner of Public Safety as State Fire Marshal shall,
37 within available appropriations, provide quarterly reports to the
38 Insurance Commissioner detailing all cases in which it has been
39 determined that a fire or explosion was the result of arson.

40 Sec. 2. Section 31-290d of the general statutes is repealed and the
41 following is substituted in lieu thereof:

42 (a) There shall be a workers' compensation fraud unit within the
43 office of the Chief State's Attorney in the Division of Criminal Justice.
44 The unit, under the supervision of the Chief State's Attorney, may,
45 upon receipt of a complaint, at the request of the chairman of the
46 Workers' Compensation Commission or on its own initiative,
47 investigate cases of alleged fraud involving any claim for benefits, any
48 receipt or payment of benefits, or the insurance or self-insurance of
49 liability under sections 31-275 to 31-355a, inclusive, as amended. Upon
50 conclusion of the investigation, the Chief State's Attorney shall take
51 appropriate action to enforce the laws of this state.

52 (b) The workers' compensation fraud unit shall submit a quarterly
53 report detailing its activities to the chairman and the Advisory Board
54 of the Workers' Compensation Commission and to the Insurance
55 Commissioner.

56 (c) The cost of the workers' compensation fraud unit shall be
57 appropriated by the General Assembly as an expense of the Workers'
58 Compensation Commission and shall be paid from the Workers'
59 Compensation Administration Fund established under section 31-344a.
60 The unit shall not engage in nor be assigned any duties or
61 responsibilities other than those authorized by or necessary to carry
62 out the provisions of this section.

63 Sec. 3. Section 38a-12 of the general statutes is repealed and the
64 following is substituted in lieu thereof:

65 (a) The commissioner shall, annually, submit to the Governor a
66 report of [his] the commissioner's official acts and of the condition of
67 all insurance companies doing business in this state, with a condensed
68 statement of their reports made to [him] the commissioner or accepted
69 by [him] the commissioner, together with an abstract of all accounts
70 rendered to any court by any receiver of a domestic insurance
71 company, a statement of the fees received by [him] the commissioner
72 and paid by [him] the commissioner to the Treasurer and such other
73 facts as are required by law.

74 (b) On or before January 15, 2001, and annually thereafter, the
75 commissioner shall submit to the joint standing committee of the
76 General Assembly having cognizance of matters relating to insurance a
77 report detailing all the information the commissioner received during
78 the past year pursuant to sections 29-311, as amended by this act, 31-
79 290d, as amended by this act, 38a-356, as amended by this act, and 53-
80 445, as amended by this act.

81 Sec. 4. Section 38a-356 of the general statutes is repealed and the
82 following is substituted in lieu thereof:

83 (a) Any authorized employee of the Department of Public Safety,
84 Department of Motor Vehicles or a local police department may in
85 writing request any insurance company to release to such employee
86 information relative to any investigation it has made concerning a
87 motor vehicle's loss or potential loss or any information relating to
88 fraud or potential fraud in any claim under a motor vehicle insurance
89 policy. Any insurance company, on its own initiative, may provide and
90 disclose information relating to fraud or potential fraud to such
91 authorized persons. Such information shall include, but not be limited
92 to: (1) An insurance policy relative to such loss, (2) policy premium
93 records, (3) history of previous claims, and (4) other relevant material
94 relating to such loss or potential loss or to such fraud or potential
95 fraud.

96 (b) Any insurance company so requested shall furnish such
97 information to any such employee and shall permit the Insurance
98 Commissioner or the commissioner's designee and any person ordered
99 by a court to inspect its records pertaining to the policy and loss. Any
100 insurance company may request any such employee to release
101 information relative to any departmental investigation concerning the
102 loss. Any information obtained relative to fraud or potential fraud may
103 be disclosed to any central reporting bureau and any law enforcement
104 agency.

105 (c) On or before December 15, 2000, and on or before each July
106 thirty-first thereafter, each insurance company shall provide the
107 Insurance Commissioner annual reports detailing all information
108 received or investigations conducted by such company during the past
109 year concerning insurance fraud in any claim under a motor vehicle
110 insurance policy. Such reports shall be filed in a manner prescribed by
111 the commissioner.

112 ~~[(c)]~~ (d) In the absence of fraud, malice or criminal act, no insurance
113 company, authorized employee or person who furnished information
114 on behalf of such company or department, shall be liable for damages
115 in a civil action or subject to criminal prosecution for any oral or

116 written statement made pursuant to the provisions of this section.

117 ~~[(d)]~~ (e) Information furnished pursuant to this section shall be held
118 in confidence until its release is required pursuant to a criminal or civil
119 proceeding.

120 Sec. 5. Section 53-444 of the general statutes is repealed and the
121 following is substituted in lieu thereof:

122 Any insurer, as defined in subsection (c) of section 53-441, that is
123 aggrieved as a result of an act of insurance fraud may institute an
124 action against the perpetrator of such fraud to recover all damages
125 resulting from the fraud. Any person perpetrating health insurance
126 fraud shall be liable to the insurer for treble damages in a civil action
127 under section 52-564.

128 Sec. 6. Subsection (a) of section 53-445 of the general statutes is
129 repealed and the following is substituted in lieu thereof:

130 (a) Any person, including an insurer, as defined in subsection (c) of
131 section 53-441, who has knowledge of or has reason to believe that
132 health insurance fraud, as defined in section 53-442, has occurred, shall
133 provide notice and any [additional] information, evidence and
134 documentation in [his] the person's or its possession relative to the
135 suspected fraud [as] to the Insurance Commissioner. [may require.]

136 Sec. 7. Section 53a-215 of the general statutes is repealed and the
137 following is substituted in lieu thereof:

138 (a) A person is guilty of insurance fraud when [he] the person, with
139 the intent to injure, defraud or deceive any insurance company: (1)
140 Presents or causes to be presented to any insurance company, any
141 written or oral statement including computer-generated documents as
142 part of, or in support of, any application for any policy of insurance
143 [providing coverage for loss or damage to real or personal property
144 caused by fire] or a claim for payment or other benefit pursuant to
145 such policy of insurance, knowing that such statement contains any

146 false, incomplete, or misleading information concerning any fact or
147 thing material to such application or claim; or (2) assists, abets, solicits,
148 or conspires with another to prepare or make any written or oral
149 statement that is intended to be presented to any insurance company
150 in connection with, or in support of, any application for any policy of
151 insurance [providing coverage for loss or damage to real or personal
152 property caused by fire] or any claim for payment or other benefit
153 pursuant to such policy of insurance, knowing that such statement
154 contains any false, incomplete, or misleading information concerning
155 any fact or thing material to such application or claim for the purposes
156 of defrauding such insurance company.

157 (b) For the purposes of this section, "statement" includes, but is not
158 limited to, any notice, statement, invoice, account, estimate of property
159 damages, bill for services, test result, or other evidence of loss, injury,
160 or expense.

161 (c) For the purposes of this section, "insurance company" [shall
162 include organizations issuing insurance policies in this state pursuant
163 to the provisions of section 38a-328] means "insurance company" as
164 defined in section 38a-1.

165 (d) Insurance fraud is a class D felony.

INS Committee Vote: Yea 18 Nay 0 JFS

JUD Committee Vote: Yea 33 Nay 0 JF

PS Committee Vote: Yea 22 Nay 0 JF